GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1452
ANSWERED ON:07.03.2001
PRICES OF AGRICULTURAL COMMODITIES
GANTA SRINIVASA RAO

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the price of agricultural commodities are falling whereas the costs of agricultural production are rising day-by-day;

(b) whether cheap agricultural commodities are also entering the country after lifting Quantitative Restrictions on imports by Government;

(c) if so, the steps Government propose to take to improve farmers plight; and

(d) whether there is any proposal to increase plan outlay on agriculture for completion of agricultural projects pending in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a): The prices of certain agricultural commodities exhibited a declining a trend at certain centers during the year 2000. The cost of production/cultivation has generally been rising because of the increase in wages of labour and increase in the prices of inputs, such as diesel, fertilizers, etc.

(b)&(c): Import restrictions on various items including food produce and allied products are being removed as part of the import liberalization programme of the Government and also in terms of our international obligations.

However, all imports in the country are subject to applicable rates of customs duties and are also subject to domestic laws, rules, orders, regulations, technical specifications, environmental and safety norms as applicable to domestically produced goods. This should provide adequate protection to domestic farmers.

India`s tariff bindings at WTO for most of the agricultural items are fairly highand effective rates of customs duties can be raised to those levels, in case there is any evidence of substantial increase in imports.

Import duties on many of the agricultural items have been increased to provide further protection to domestic farmers eg., duty on rice has been increased from 0% to upto 80%, on maize from 0% to 50% on apples from 35% to 50%.

The imports are being closely monitored and Government is determined to ensure through appropriate use of the tariff mechanism that imports do not cause any detriment or injury to the domestic farmers.

(d): Plan allocations are made after duly taking into account both the pending projects as also new approved proposals. For the year 2001-02, plan allocation of Rs.3009 crores, has been earmarked for the Ministry of Agriculture.